

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,507,347	\$ 1,537,774	\$ 1,882,881
REVENUES			
Property taxes	10	10	10
Specific ownership tax	1	1	1
Interest income	10,267	650	900
Intergovernmental revenues - MV2	4,248,475	4,314,650	4,731,835
Building permit review fees	11,100	15,000	15,000
Total revenues	<u>4,269,853</u>	<u>4,330,311</u>	<u>4,747,746</u>
TRANSFERS IN			
Transfers from other funds	<u>83,630</u>	<u>275,000</u>	<u>325,000</u>
Total funds available	<u>6,860,830</u>	<u>6,143,085</u>	<u>6,955,627</u>
EXPENDITURES			
General Fund	550,944	767,956	809,223
DCC Fund	12,617	14,248	15,573
Debt Service Fund	4,362,652	3,000,000	2,400,000
Capital Projects Fund	313,213	203,000	375,000
Total expenditures	<u>5,239,426</u>	<u>3,985,204</u>	<u>3,599,796</u>
TRANSFERS OUT			
Transfers to other funds	<u>83,630</u>	<u>275,000</u>	<u>325,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,323,056</u>	<u>4,260,204</u>	<u>3,924,796</u>
ENDING FUND BALANCES	<u>\$ 1,537,774</u>	<u>\$ 1,882,881</u>	<u>\$ 3,030,831</u>
EMERGENCY RESERVE	\$ 27,600	\$ 28,000	\$ 31,000
DEBT SERVICE RESERVE - 2007A	600,000	600,000	600,000
TOTAL RESERVE	<u>\$ 627,600</u>	<u>\$ 628,000</u>	<u>\$ 631,000</u>

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION - Douglas (4445)			
Vacant land	190	190	190
Certified Assessed Value	\$ 190	\$ 190	\$ 190
MILL LEVY			
General	11.055	11.132	11.132
Debt Service	41.000	40.000	40.000
Total mill levy	52.055	51.132	51.132
PROPERTY TAXES			
General	\$ 2	\$ 2	\$ 2
Debt Service	8	8	8
Levied property taxes	10	10	10
Budgeted property taxes	\$ 10	\$ 10	\$ 10
ASSESSED VALUATION - Douglas (4602)			
Residential	\$ -	\$ 48,620	\$ 2,326,660
State assessed	-	-	200
Vacant land	792,830	1,796,710	350,770
Personal property	-	-	56,710
Certified Assessed Value	\$ 792,830	\$ 1,845,330	\$ 2,734,340
MILL LEVY			
Debt Service	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
Debt Service	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ 2	\$ 2	\$ 2
Debt Service	8	8	8
Budgeted property taxes	\$ 10	\$ 10	\$ 10

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 536,540	\$ 812,091	\$ 707,002
REVENUES			
Property taxes	2	2	2
Intergovernmental revenues - MV2	904,236	937,315	1,028,236
Interest income	5,887	550	750
Total revenues	910,125	937,867	1,028,988
Total funds available	1,446,665	1,749,958	1,735,990
EXPENDITURES			
General and administrative			
Accounting	50,272	48,000	50,000
Audit	10,950	10,950	12,000
Board support	5,800	5,700	6,500
Communications	-	15,000	15,000
Dues and licenses	772	2,168	2,500
Insurance	7,176	7,000	8,500
Irrigation	116,884	120,000	130,000
Legal services	39,690	35,000	38,000
Miscellaneous	40	500	500
Payroll taxes	444	435	500
Contingency	-	10,000	10,000
Operations and maintenance			
Contract services	47,310	75,000	89,000
Labor	217,096	271,000	278,000
Materials	20,984	62,000	60,000
Support management	33,526	35,203	38,723
Water purchases	-	70,000	70,000
Total expenditures	550,944	767,956	809,223
TRANSFERS OUT			
Transfers to other funds	83,630	275,000	325,000
Total expenditures and transfers out requiring appropriation	634,574	1,042,956	1,134,223
ENDING FUND BALANCE	\$ 812,091	\$ 707,002	\$ 601,767
EMERGENCY RESERVE	\$ 27,600	\$ 28,000	\$ 31,000
TOTAL RESERVE	\$ 27,600	\$ 28,000	\$ 31,000

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
Contract services			
Flowers/shrubs	\$ -	\$ 2,500	\$ 5,000
Irrigation	-	10,000	10,000
Miscellaneous landscaping	21,264	22,000	25,000
Snow and ice	-	5,000	3,000
Stormwater maintenance	3,525	7,500	10,000
Tree - plant or replace	14,700	17,500	20,000
Tree pruning	5,875	7,500	10,000
Tree/weed spraying	1,946	3,000	6,000
Total Contract services	\$ 47,310	\$ 75,000	\$ 89,000
Materials			
Chemicals	\$ 1,779	\$ 3,000	\$ 5,000
Decorative lights	-	2,000	2,000
Flower replacements	5,971	6,000	6,000
Miscellaneous	795	3,000	5,000
Mulch and topsoil	4,859	25,000	15,000
Park supplies	-	10,000	10,000
Seed and sod	-	2,000	3,000
Snow chemicals	75	1,000	1,000
Trees	767	2,000	2,000
Water, sewer and irrigation	6,738	8,000	11,000
Total Materials	\$ 20,984	\$ 62,000	\$ 60,000

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DCC Fund
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 10,535	\$ 9,018	\$ 9,770
REVENUES			
Building permit review fees	11,100	15,000	15,000
Total revenues	11,100	15,000	15,000
Total funds available	21,635	24,018	24,770
EXPENDITURES			
General and administrative			
Miscellaneous	-	1,000	1,000
Operations and maintenance			
Support management	12,617	13,248	14,573
Total expenditures	12,617	14,248	15,573
Total expenditures and transfers out requiring appropriation	12,617	14,248	15,573
ENDING FUND BALANCE	\$ 9,018	\$ 9,770	\$ 9,197

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,722,102	\$ 711,708	\$ 1,089,152
REVENUES			
Property taxes	8	8	8
Specific ownership tax	1	1	1
Intergovernmental revenues - MV2	3,344,239	3,377,335	3,703,599
Interest income	4,380	100	150
Total revenues	<u>3,348,628</u>	<u>3,377,444</u>	<u>3,703,758</u>
TRANSFERS IN			
Transfers from other funds	<u>3,630</u>	<u>-</u>	<u>-</u>
Total funds available	<u>5,074,360</u>	<u>4,089,152</u>	<u>4,792,910</u>
EXPENDITURES			
General and administrative			
Paying agent fees	4,331	3,631	4,000
Contingency	-	35,272	27,777
Debt Service			
Bond interest	2,451,321	2,401,097	1,783,223
Bond principal	530,000	560,000	585,000
Swap buy down	1,377,000	-	-
Total expenditures	<u>4,362,652</u>	<u>3,000,000</u>	<u>2,400,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,362,652</u>	<u>3,000,000</u>	<u>2,400,000</u>
ENDING FUND BALANCE	<u>\$ 711,708</u>	<u>\$ 1,089,152</u>	<u>\$ 2,392,910</u>
DEBT SERVICE RESERVE - 2007A	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
TOTAL RESERVE	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 238,170	\$ 4,957	\$ 76,957
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	80,000	275,000	325,000
Total funds available	318,170	279,957	401,957
EXPENDITURES			
Capital Projects			
Drainage ditch improvements	-	50,000	100,000
Park improvements	128,292	20,000	200,000
Reservoir park	167,421	130,000	75,000
Sidewalk at lift station	17,500	-	-
Sidewalk repairs	-	3,000	-
Total expenditures	313,213	203,000	375,000
Total expenditures and transfers out requiring appropriation	313,213	203,000	375,000
ENDING FUND BALANCE	\$ 4,957	\$ 76,957	\$ 26,957

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Meridian Village Metropolitan District No. 1 is a quasi-municipal corporation and political subdivision of the State of Colorado organized by order of the Douglas County Court on November 20, 2004. The District's service area is located in Douglas County, Colorado. The District was organized to provide wastewater and water improvements, street and traffic safety improvements and park and recreational facilities.

The District was formed in conjunction with Meridian Village Metropolitan District Nos. 2, 3 and 4. District No. 1 will serve as the "Service District" with the responsibility of managing the construction and operation of facilities and improvements needed for the public improvements. District Nos. 2, 3 and 4 will serve as the "Financing Districts" with the responsibility of providing the funding and tax base needed to support the capital improvements and operations.

The District has no employees and contracts for all of its management and professional services.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on April 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The calculation of the taxes levied is displayed on the Property tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.00% of the property taxes collected by the District.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Intergovernmental Revenue

The intergovernmental revenues are transfers from Meridian Village Metropolitan District No. 2 to provide funding for the overall administration, operating and debt costs of said districts.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

DCC Fees

Fees that the District expects to receive for the review of architectural and design plans are displayed on the DCC Fund information part of the budget.

Expenditures

Administrative and Operating

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, meeting expense and other administrative expenses.

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2007A as detailed on pages 7 and 10 of the Budget (discussed under Debt and Leases).

Debt and Leases

General Obligation Bonds, \$35,185,000 Refunding and Improvement Revenue Bonds, Series 2007A, dated November 14, 2007, amended May 15, 2013, November 22, 2013, January 2, 2015, September 1, 2015, and September 1, 2018, with an adjustable interest rate tied to the LIBOR index plus a defined Applicable Spread. Simultaneously, the District entered into a Swap Agreement with the Royal Bank of Canada (RBC). The Swap Agreement was subsequently transferred to U.S. Bank, which also acts as Trustee for the bonds pursuant to an Indenture of Trust dated the date of the Bonds, supplemented as described below.

The Indenture of Trust has been supplemented five times by a First, Second, Third, Fourth and Fifth Supplemental Indenture of Trust, the last dated September 1, 2018 (the Fifth Indenture). The Fifth Indenture amended the definition of the Applicable Spread to be +148 basis points applied to the LIBOR Index. The reissued bonds mature on December 1, 2047.

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) revenues pledged under an Intergovernmental Financing Agreement with Meridian Village Metropolitan District No. 2; 2) all net regularly scheduled payments received by the District under the Swap Agreement; 3) all System Development Fee Revenue; and 4) any proceeds of the bonds.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The District entered into an interest rate swap agreement to hedge against the risk of increases in their variable rate Series 2007 Bonds. This swap agreement achieves a synthetic average fixed rate of 5.73% over the life of the bonds, however, the District did not make any fixed rate payments to the swap provider until 2014. Therefore, the fixed rate payments beginning in 2014 were made at 9.52% of the outstanding bonds. The Amended Swap Agreement with U.S. Bank, dated September 6, 2018, fixed the interest rate at 5.55% beginning September 4, 2018. In December of 2020, the District entered into a Second and Third Amended Swap Agreement with U.S. Bank, effective December 1, 2020 amending the fixed interest rate to 5.308%.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3.00% of the fiscal year spending for 2022, as defined under TABOR.

Debt Service Reserves

The District maintains a minimum Debt Service Reserve of \$600,000 as required with the issuance of Series 2007A Bonds.

Additional Information

Per the Service Plan: The debt service mill levy is capped at 50 mills until the District's assessed valuation reaches a value equal to twice the aggregate amount of outstanding debt, in which case there is no mill levy cap. The operations mill levy is capped at 10 mills. However, both mill levies are subject to adjustments for Gallagher, so if the valuation calculation for residential property decreases from its current level of 7.15% of actual value the mill levy will be adjusted accordingly.

Per the Funding Agreement: Meridian Village Metropolitan District No. 1 issues revenue bonds and Meridian Village Metropolitan District No. 2 has agreed to levy taxes to the maximum rate of 40 mills, adjusted for Gallagher but never to exceed a hard cap of 50 mills, and pay the revenue over to District No. 1 for debt service. In a separate O&M Funding Agreement, District No. 2 agrees to levy taxes up to 10 mills, adjusted for Gallagher but never to exceed 50 mills. In addition, if District No. 2 has to levy more than 40 mills for payment of District No. 1's debt service, District No. 2's contractual obligation to go higher than 10 is reduced proportionately. Subject to the service plan mill levy caps described above, the two Districts may decide that the District No. 2 aggregate mill levy will exceed 50 mills. District No. 2 is just not required to exceed 50 mills.

The May 4, 2004 election authorized the District to issue up to \$400,000,000 in general obligation debt for public infrastructure and \$1,200,000 for debt refunding.

This information is an integral part of the accompanying budget.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY**

**\$35,185,000 Refunding & Improvement Revenue Bonds
Series 2007A**

**Original Fixed Swap Rate 9.52%
Restructured Fixed Swap Rate 10.12%-9.52%**

**Original Date November 14, 2007
Restructure Date November 19, 2013
Restructure Date September 1, 2015
Restructure Date September 1, 2018
Restructure Date December 1, 2020
Restructured Fixed Swap Rate 5.308%
Principal Payable December 1
Interest Payable June 1 and December 1**

Year Ended December 31,	Principal		Interest		Total	
2022	\$	585,000	\$	1,783,223	\$	2,368,223
2023		610,000		1,752,171		2,362,171
2024		645,000		1,719,792		2,364,792
2025		680,000		1,685,555		2,365,555
2026		710,000		1,649,461		2,359,461
2027		745,000		1,611,774		2,356,774
2028		790,000		1,572,230		2,362,230
2029		840,000		1,530,296		2,370,296
2030		890,000		1,485,709		2,375,709
2031		970,000		1,438,468		2,408,468
2032		1,025,000		1,386,980		2,411,980
2033		1,075,000		1,332,573		2,407,573
2034		1,135,000		1,275,512		2,410,512
2035		1,200,000		1,215,267		2,415,267
2036		1,265,000		1,151,571		2,416,571
2037		1,325,000		1,084,424		2,409,424
2038		1,400,000		1,014,093		2,414,093
2039		1,475,000		939,781		2,414,781
2040		1,550,000		861,488		2,411,488
2041		1,650,000		779,214		2,429,214
2042		1,730,000		691,632		2,421,632
2043		1,825,000		599,804		2,424,804
2044		1,925,000		502,933		2,427,933
2045		2,025,000		400,754		2,425,754
2046		2,425,000		293,267		2,718,267
2047		3,100,000		164,548		3,264,548
Total	\$	<u>33,595,000</u>	\$	<u>29,922,520</u>	\$	<u>63,517,520</u>

No assurance provided. See summary of significant assumptions.